

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

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IN RE QIAO XING
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07-CIV-7097 (DLC)

This Document Relates to:

“ECF” Case

All Actions

**~~PROPOSED~~ ORDER AUTHORIZING DISTRIBUTION OF NET SETTLEMENT
FUND, INCLUSION OF LATE CLAIMS, PAYMENT OF SETTLEMENT
ADMINISTRATION EXPENSES, AND DONATION OF UNCLAIMED FUNDS**

THIS CAUSE comes before the Court upon Lead Plaintiff’s Motion For An Order Authorizing Distribution Of Net Settlement Fund, Inclusion Of Late Claims, Payment Of Settlement Administration Expenses, And Donation Of Unclaimed Funds (the “Motion”) and supporting memorandum of law (the “Memorandum of Law”), the Declaration of Brian P. Murray, dated January 8, 2010 (the “Murray Declaration”), and Affidavit of Peter M. Craig, Re: Processing of Proof of Claim and Release Forms; and Calculation of Recognized Losses, sworn to on January 8, 2010 (the “Craig Affidavit”), and submitted herewith. The Court has carefully considered the Motion, the Memorandum of Law, the Murray Declaration, the Craig Affidavit, and a letter dated January 21, 2010 submitted by Mr. Murray to this Court, and is otherwise fully advised in the premises.

WHEREAS, 1,578 Settlement Class Members have submitted properly documented and valid Proofs of Claim (“Authorized Claimants”);

WHEREAS, only 34 out of the 1,578 properly documented and valid Proofs of Claim submitted by the Authorized Claimants were submitted after the July 21, 2008 claims submission

deadline provided in the Notice of Pendency of Proposed Class Action and Its Settlement (the “Notice”);

WHEREAS, as set forth in Exhibit D of the Craig Affidavit, the total Recognized Loss for the 1,578 Authorized Claimants, calculated in accordance with the Plan of Allocation set forth in the Notice, is \$601,034.11;

WHEREAS, after payment of settlement administration expenses to the Claims Administrator of \$271,932.97, the balance in the Net Settlement Fund (as of January 8, 2010) is \$1,794,966.74;

WHEREAS, following a January 15, 2010 teleconference with the Court, both Lead Counsel and Defendants’ Counsel have jointly proposed to this Court that the distribution to the Class should consist of the entire Recognized Loss of \$601,034.11, plus an additional 20%, for a total of \$721,240.93;

WHEREAS, under this proposal, after \$721,240.93 is set aside for distribution to Class Members, the remaining amount will be returned to Defendants;

WHEREAS, there are no objections to the proposed distribution of the Net Settlement Fund in accordance with the Plan of Allocation and the terms of the Stipulation of Settlement dated February 25, 2008 (“Stipulation”), and this Court’s Memorandum Opinion & Order dated July 11, 2008 (the “Final Order”);

NOW THEREFORE, it is hereby **ORDERED, ADJUDGED AND DECREED** as follows:

1. Lead Plaintiff’s Motion For An Order Authorizing Distribution Of Net Settlement Fund, Inclusion Of Late Claims, Payment Of Settlement Administration Expenses, And Donation Of Unclaimed Funds is hereby granted.

2. Payment to the Claims Administrator, Rust Consulting, Inc. (“Rust” or the “Claims Administrator”), formerly Complete Claim Solutions, LLC, of \$271,932.97 out of the Settlement Fund for its notice and settlement administration services, as detailed in the Craig Affidavit, Ex. G, is hereby approved and authorized. The balance remaining in the Settlement Fund following the payment to Rust as authorized in this paragraph shall constitute the Net Settlement Fund.

3. The 34 claims identified in Exhibit F of the Craig Affidavit are hereby deemed timely. No Proofs of Claims received after January 8, 2010 may be deemed timely and no part of the Net Settlement Fund shall be paid to any claimant whose claim was not received by Rust on or before January 8, 2010.

4. The 1,578 fully documented and valid Proofs of Claim submitted by the Authorized Claimants (which include the 34 late-filed claims identified above) are hereby approved as valid. The Net Settlement Fund shall be distributed to the Authorized Claimants on a *pro rata* basis, based on the formula put forth in the Plan of Allocation, so that each Authorized Claimant receives 100% of Recognized Losses plus an additional 20% to account for loss interest and inflation, for a total of \$721,240.93. After this amount is set aside for distribution, the amount remaining in Net Settlement Fund shall be returned to Defendants.

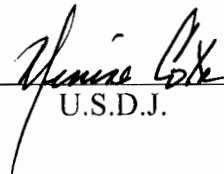
5. All persons involved in the review, verification, calculation, tabulation, or any other aspect of the processing of the claims submitted herein, or otherwise involved in the administration or taxation of the Settlement Fund or the Net Settlement Fund including, but not limited to Lead Counsel, Lead Plaintiff, and the Claims Administrator, as well as all partners, agents, associates, and employees thereof, are released and discharged from any and all claims arising out of such involvement, and all Settlement Class Members, whether or not they are to

receive a distribution from the Settlement Fund are barred from making any further claim against the Settlement Fund or the released persons beyond the amount allocated to them pursuant to this Order.

6. The determinations of Rust, described in paragraph 11 of the Craig Affidavit, rejecting the claims listed in Exhibits D to the Craig Affidavit are approved, and said claims are hereby rejected.

7. Any unclaimed, residual balance in the Net Settlement Fund that is not sufficiently large to make it economically feasible to distribute said unclaimed balance to Authorized Claimants, in accordance with the percentage interests of Authorized Claimants, is to be distributed no earlier than twelve (12) months from the date of this Order to 1) the Securities Arbitration Clinic at the Benjamin N. Cardozo School of Law, and 2) the St. Vincent de Paul Legal Program Securities Arbitration Clinic, in equal shares and without further order of the Court.

IT IS SO ORDERED this 22nd day of January, 2010.



U.S.D.J.